

HOUSE RESEARCH

Bill Summary

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Section

- 1** **Duties, responsibilities.** This bill deals with the Workers Compensation Reinsurance Association (WCRA). It is a nonprofit reinsurance pool which state law requires workers' compensation insurance companies, and employers that self-insure for workers' compensation, to be members of. Reinsurance is back-up insurance for insurers and self-insurers.

This bill eliminates one component of the premium required for the reinsurance coverage, namely the cost of the claims that exceed the prefunded limit. It also eliminates from the law any references to the prefunded limit.